

AMENDED IN ASSEMBLY JUNE 7, 2010

AMENDED IN SENATE APRIL 13, 2010

**SENATE BILL**

**No. 1437**

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**Introduced by Senator Kehoe**

February 19, 2010

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An act to ~~amend Section 740.2 of~~ *add Section 351* to the Public Utilities Code, relating to electricity.

LEGISLATIVE COUNSEL'S DIGEST

SB 1437, as amended, Kehoe. Electricity: ~~plug-in hybrid and electric vehicles.~~ *Independent System Operator: activities report.*

*The existing restructuring of the electrical industry within the Public Utilities Act provides for the establishment of an Independent System Operator (ISO) as a public benefit corporation, with a 5-member independent governing board of directors appointed by the Governor and subject to confirmation by the Senate. Existing law requires the ISO to ensure efficient use and reliable operation of the transmission grid consistent with achieving planning and operating reserve criteria no less stringent than those established by the Western Electricity Coordinating Council and the North American Electric Reliability Council.*

*This bill would require the independent governing board of directors to annually select a representative of the ISO to appear before the appropriate policy committees of the Senate and Assembly to report on the activities of the ISO.*

~~Under existing law, the Public Utilities Commission (PUC) has regulatory authority over public utilities, including electrical corporations. Existing law requires the PUC, in consultation with the State Energy Resources Conservation and Development Commission,~~

~~the State Air Resources Board, electrical corporations, and the motor vehicle industry, to evaluate policies to develop infrastructure sufficient to overcome any barriers to the widespread deployment and use of plug-in hybrid and electric vehicles and, by July 1, 2011, to adopt rules that address specified matters.~~

~~This bill would require the PUC, by July 1, 2012, to determine, for each class of ratepayers, the direct costs and benefits associated with the expected additional load from plug-in hybrid and electric vehicles.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~yes~~-no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     *SECTION 1. Section 351 is added to the Public Utilities Code,*  
2     *to read:*

3     351. (a) *The independent governing board of directors shall*  
4     *annually select a representative of the Independent System*  
5     *Operator to appear before the appropriate policy committees of*  
6     *the Senate and Assembly to report on the activities of the*  
7     *Independent System Operator, including, but not limited to, those*  
8     *matters described in subdivision (b).*

9     (b) *The representative of the Independent System Operator*  
10    *selected by the independent governing board of directors pursuant*  
11    *to subdivision (a), shall annually report on each of the following:*

12    (1) *A summary of those actions undertaken by the Independent*  
13    *System Operator during the prior year to ensure the reliability of*  
14    *electric service and the health and safety of the public by managing*  
15    *the transmission system and related energy markets consistent*  
16    *with the requirements of subdivision (b) of Section 345.5.*

17    (2) *A summary of those actions undertaken by the Independent*  
18    *System Operator during the prior year relative to the adoption or*  
19    *modification of standards pursuant to Section 348.*

20    (3) *The results of each review of a major outage undertaken by*  
21    *the Independent System Operator pursuant to Section 349.*

22    ~~SECTION 1. Section 740.2 of the Public Utilities Code is~~  
23    ~~amended to read:~~

24    ~~740.2. (a) The commission, in consultation with the Energy~~  
25    ~~Commission, the State Air Resources Board, electrical~~  
26    ~~corporations, and the motor vehicle industry, shall evaluate policies~~  
27    ~~to develop infrastructure sufficient to overcome any barriers to the~~

1 ~~widespread deployment and use of plug-in hybrid and electric~~  
2 ~~vehicles. By July 1, 2011, the commission shall adopt rules to~~  
3 ~~address all of the following:~~

4 ~~(1) The impacts upon electrical infrastructure, including~~  
5 ~~infrastructure upgrades necessary for widespread use of plug-in~~  
6 ~~hybrid and electric vehicles and the role and development of public~~  
7 ~~charging infrastructure.~~

8 ~~(2) The impact of plug-in hybrid and electric vehicles on grid~~  
9 ~~stability and the integration of renewable energy resources.~~

10 ~~(3) The technological advances that are needed to ensure the~~  
11 ~~widespread use of plug-in hybrid and electric vehicles and what~~  
12 ~~role the state should take to support the development of this~~  
13 ~~technology.~~

14 ~~(4) The existing code and permit requirements that will impact~~  
15 ~~the widespread use of plug-in hybrid and electric vehicles and any~~  
16 ~~recommended changes to existing legal impediments to the~~  
17 ~~widespread use of plug-in hybrid and electric vehicles.~~

18 ~~(5) The role the state should take to ensure that technologies~~  
19 ~~employed in plug-in hybrid and electric vehicles work in a~~  
20 ~~harmonious manner and across service territories.~~

21 ~~(6) The impact of widespread use of plug-in hybrid and electric~~  
22 ~~vehicles on achieving the state's goals pursuant to the California~~  
23 ~~Global Warming Solutions Act of 2006 and renewables portfolio~~  
24 ~~standard program and what steps should be taken to address~~  
25 ~~possibly shifting emissions reductions responsibilities from the~~  
26 ~~transportation sector to the electrical industry.~~

27 ~~(b) By July 1, 2012, the commission, for each class of~~  
28 ~~ratepayers, shall determine the direct costs and benefits associated~~  
29 ~~with the expected additional load from plug-in hybrid and electric~~  
30 ~~vehicles. This determination shall include the direct costs of fueling~~  
31 ~~plug-in hybrid and electric vehicles, including the costs of charging~~  
32 ~~connections and upgrades to utility service and the distribution~~  
33 ~~system, and the direct benefits provided, including the increased~~  
34 ~~utilization of existing grid infrastructure.~~